

**Veterans Services Foundation
Board of Trustees
Meeting Minutes
September 13, 2007**

DRAFT

A meeting of the Veterans Services Foundation (VSF) Board of Trustees was held on September 13, 2007, at the American Legion Department of Virginia Building, 1708 Commonwealth Avenue, Richmond.

Members Present:

Vincent Burgess
Supriya Christopher
Margaret Eure
Leroy Gross
Adam Harrell
Raymond Smoot
Frank Wickersham
Kathleen Wilder

Members Absent:

Paul Galanti
Frederic Leigh

Others Present:

Sam Wilder, Chairman, Joint Leadership Council of Veterans Service Organizations (JLC)
Jack Hilgers, member, VSF Action Plan Sub-Committee
Don Ferguson, Office of the Attorney General
Steven Combs, Director of Policy & Planning, Virginia Department of Veterans Services (DVS)
Tasmyn Childress, Administrative Office Specialist, DVS
Judy Reid, IT Program Assistant, DVS
David Simmons, IT Program Manager, DVS
Tom Briggs, Virginia Veterans Coalition
Tom Anderson, Virginia Veterans Coalition
Joe Lee Carr, Virginia Veterans Coalition
Charles, Lloyd, Virginia Veterans Coalition
Reuben Glass, Virginia Veterans Coalition
Carl Satterfield, Virginia Veterans Coalition
Danny Jackson, Virginia Veterans Coalition
James Hancock, Virginia Veterans Coalition
James Ward, Virginia Veterans Coalition
Roger Sullivan, Virginia Veterans Coalition
Roger Overstreet, Virginia Veterans Coalition
Tony Haddock, Virginia Veterans Coalition

Materials Distributed:

- Meeting Agenda;
- Board of Trustees Contact Information;
- Draft Minutes of the April 4, 2007 meeting;
- Veterans Services Fund report, November 26, 2003 – August 31, 2007
- Virginia Veterans Care Center Support Fund FY08 Budget
- Sitter & Barfoot Veterans Care Center Dedication Ceremony Cost Estimates and Contributions
- VSF Action Plan
- VSF Action Plan Sub-Committee (VSF APSC) Working Paper #1- Virginia Veterans Services Foundation Legislative Initiatives
- VSF APSC Working Paper #2- Veterans Services Foundation Fund Raising- Executive Summary
- VSF APSC Working Paper #3- Veterans Services Foundation Board Governance
- VSF APSC Action Plan Subcommittee- Reference Paper #1- Governance for Nonprofit
- VSF By Laws (Draft)
- VSF Financial Donations (Draft)
- DVS Administrative-Operations Policy 7: Veterans Care Center Residents' Assistance Subsidiary Funds (Draft 9-13-2007)
- DVS Administrative-Operations Policy 18: Cemeteries Assistance Subsidiary Fund (Draft 9-13-2007)
- VSF Policy 1 – Financial Donations (Draft 9-13-07)
- Executive Order 19 (2006)
- Code of Virginia Citations related to the VSF
- JLC 2008 Legislative Objectives
- DVS Handout: *Do You Know Your Veterans Benefits*
- Invitation to Sitter & Barfoot Veterans Care Center Dedication Ceremony
- Invitation to Virginia is for Heroes Conference

Opening and Pledge of Allegiance

Chairman Raymond Smoot welcomed everyone, and called the meeting of the Veterans Services Foundation (VSF) Board of Trustees to order at 11:10 a.m. The members recited the pledge of allegiance to the American Flag.

Roll Call of Members and Quorum Determination

Chairman Smoot asked the members to introduce themselves. New VSF members Adam Harrell, Frank Wickersham, and Kathleen Wilder were sworn in and welcomed to the VSF. Eight out of ten members were determined to be present, and a quorum was determined to exist.

Review and Approval of Meeting Minutes

The minutes of the April 4, 2007 meeting were reviewed. A **motion** was made by Leroy Gross, and seconded by Margaret Eure, to approve the minutes as written. The decision was unanimous to approve the minutes as written.

Veterans Service Fund Quarterly Report

Discussion Lead by Steven Combs:

The board was asked to review the report of the Veterans Service Fund, November 26, 2003 to August 31, 2007, and the Virginia Veterans Care Center Support Fund FY08 Budget.

A **motion** was made by Dr. Gross and seconded by Frank Wickersham to approve the Veterans Services Fund report. The motion was unanimously passed.

Sitter & Barfoot Veterans Care Center Dedication Ceremony

Discussion Lead by Mr. Combs:

The Sitter & Barfoot Veterans Care Center Dedication Ceremony Cost Estimates and Contributions hand out details the estimated costs of the dedication ceremony and the contributions received to date.

The estimated cost of the ceremony \$17,381. The Veterans Service Foundation has made a commitment \$10,000 towards portraits of Colonels Barfoot and Sitter. Other pledges and cash donations total \$6,600. In kind donations total approximately \$4,000.

The Veterans of Foreign Wars Department of Virginia and the members of the Board of Veterans Services have made donations of \$2,000 and \$1,600, respectively, towards the cost of the portraits, which means that only \$6,400 of the \$10,000 committed from the Veterans Services Fund will need to go towards the portraits.

Mr. Combs recommended to the members that the remaining \$3,600 be put towards the \$4,400 in unmet need for the ceremony. That would bring the unmet need to under \$800. The rest of the unmet cost is expected to come from donations.

Mr. Combs told the members that an anonymous donation of \$100 towards the ceremony was received at the start of the meeting, and that the unmet need was down to \$700. Mrs. Eure told the members that her husband had served under Col Barfoot, and indicated that she would like to make a \$100 donation. Mrs. Eure's donation brought the unmet need to under \$600.

Mr. Combs made a request that the members approve the budget of \$17,381 for the dedication ceremony, and asked that the members approve the use of the remaining \$3,600 from the \$10,000 commitment towards the other needs of the dedication ceremony. A **motion** was made by Dr. Gross and seconded by Mrs. Eure that the Board of Trustees approve the \$17,381 for the dedication ceremony. The motion passed unanimously. Dr. Gross then made a **motion**, seconded by Mr. Wickersham, that the remaining \$3,600 be reallocated towards other costs associated with the Sitter & Barfoot Veterans Care Center dedication ceremony. This motion also was passed unanimously.

Mr. Combs reminded the members of the dedication ceremony at 1 p.m. on the 26th.

Report of the Action Plan Sub-Committee

Discussion lead by Chairman Smoot, Dr. Gross, and Jack Hilgers:

Chairman Smoot introduced Mr. Hilgers and reviewed his experience with the military, the General Assembly, and with the Old Dominion University Board of Visitors.

Mr. Hilgers began by reminding the members that fundraising expectations were made clear by EO19 and by legislative action in the 2007 General Assembly. This prompted the formation of an Action Plan Sub-Committee (APSC), lead by Chairman Smoot. Other committee members were Dr. Gross and Mr. Hilgers. The APSC developed the Action Plan presented to the members at today's meeting. The working papers were compiled from various sources, and support the Action Plan. The three areas covered were:

- VSF Legislative Initiatives
- VSF Fund Raising
- VSF Board Development Governance

The conclusions reached in the working papers form the basis for the Action Plan. The working papers are not final, and are open for amendment, if necessary, by the Foundation. Mr. Hilgers stated that the conclusions are open to modification, and that the plans are flexible.

Mr. Hilgers emphasized that the Action Plan should be adopted as a complete Action Plan, and not adopted or approved as individual items.

Dr. Gross commended Mr. Hilgers for his hard work in developing the Action Plan. A **motion** was made by Dr. Gross and seconded by Mrs. Eure to accept the Action Plan. The floor was opened to discussion and questions.

Mr. Hilgers reported that the VSF has been acting without a set of approved By Laws. Dr. Gross and Mrs. Eure emphatically pointed out that the By Laws had been adopted on September 30, 2004. Mr. Hilgers pointed out that this was not reflected in the minutes, the official record of that meeting, and that an action item for today would be to adopt the minutes.

Mr. Hilgers told the members of his discussions with the General Assembly's Legislative Services section regarding the VSF's supervisory authority. Other foundations that have fundraising activities or that handle substantial amounts of funds are not classified as advisory boards, but rather as political bodies that are also corporate entities. He advised that the Code be changed to reflect this proper classification. Mr. Hilgers advised that Don Ferguson, Senior Assistant Attorney General, could shed further light on this.

Mr. Ferguson pointed the members to the handout regarding Code of Virginia citations related to the Veterans Services Foundation. The Code of Virginia gives the Foundation the authority to act according to what the General Assembly has determined the Foundations duties and responsibilities to be. He confirmed that the Foundation is currently classified as an advisory board, and that advisory boards do not normally serve as regulatory or rule-making boards. He said that because the Foundation does not issue regulations, it should not be overly concerned with being classified as advisory.

Mr. Ferguson directed the members to §2.2-2716, pointing out that while the word fundraising is not specifically used, the Code does give the Foundation the authority to pursue fundraising activities. He said, however, if there is concern over the VSF being an advisory board, this could be changed by the General Assembly.

Mr. Ferguson discussed the steps, which are established by law necessary, to become a corporation. He noted that some corporations seek tax exempt status. He pointed out that the VSF previously decided not to submit paperwork to obtain 501(c) (3) status. He explained that while the Foundation does not hold non-profit status, that under Virginia law donations made to the Foundation are tax deductible, and that under the Federal tax code, donations made to a State are tax deductible. Discussion ensued regarding 501(c)(3) status and fundraising.

Mr. Hilgers pointed out that his proposal was not to make the Foundation a supervisory or advisory board, but to clarify its status. Mr. Ferguson reiterated that the VSF should not get “hung up” on status, but should focus on the authority given to it by the General Assembly. Mr. Hilgers noted that there might be other legislative changes that could be considered, and that any legislative changes could be a discussion for a future meeting.

Mr. Wickersham asked how donors could be made aware of the tax exempt status of the Foundation. Mr. Ferguson stated that most organizations do not state on their promotional literature that donations to that organization are tax exempt. What could be listed are references to the appropriate tax code section.

Mr. Hilgers said that while Legislative Services strives to draft the best legislation possible, there is sometimes the need to make changes, and that the Foundation should not shy away from this.

Dr. Gross called the question on the floor, to adopt the Action Plan. The **motion** was agreed to unanimously. Chairman Smoot called the members attention to the fact that the adoption of the Action Plan would set in motion several of the action items listed in the Plan. Mr. Hilgers noted that any items to be discussed at the fourth quarter meeting would be sent to the members in review.

Mr. Hilgers next pointed out two corrections. The first is on Action Plan. Line 11, which reads: “Develop the responsibilities of standing committees.” It should have been written consistent with the working papers, to read: “...with priority to the development fundraising committee.” Mr. Hilgers also pointed out that Action Plan Line 13 needed to be corrected by putting a period after the word “ongoing” and striking through the last sentence of line 13.

Chairman Smoot noted that the work of the APSC would continue. Dr. Gross volunteered to continue to serve on the APSC, and Mr. Wickersham and Mrs. Christopher also volunteered to serve.

Chairman Smoot pointed out that when the Foundation was formed four years ago, the primary emphasis was on oversight on the expenditure of funds, contained in the Veterans Services Fund, to support veterans programs in the Commonwealth. He said that fundraising was not stressed when members were recruited to serve on the Foundation. The VSF has struggled over the past

four years with the authority and responsibilities related to fundraising. When it became understood that fundraising was one of the authorities of the Foundation, that the VSF had to take steps to organize itself for fundraising activities. He acknowledged the hard work performed by Mr. Hilgers has performed to develop a plan to move the Foundation in this direction. He also acknowledged the hard work of Mr. Combs in support of Mr. Hilgers.

Review of By Laws

Chairman Smoot returned to the subject of the VSF By Laws, and reminded the members that the By Laws could be amended at a later date. He then asked Commissioner Burgess for a recommendation. Commissioner Burgess recommended that the Foundation adopt the By Laws today.

Commissioner Burgess made a **motion**, seconded by Dr. Gross, to readopt the By Laws. The motion was agreed to unanimously, with the clear understanding that the By Laws that were presented at today's meeting are the same By Laws that the Foundation has been operating under since September 30, 2004.

Review of Donor Policy

Discussion Lead by Mr. Combs:

The VSF and DVS have been following the provisions of Veterans Service Foundation Policy 1 – Financial Donations, even though the policy has not been officially adopted by the VSF. The policy details the receiving, recording, management, and expenditure of financial donations. Mr. Combs asked for formal approval, with the understanding that the Board could modify the policy later as need be. Kathleen Wilder asked for clarification regarding donations. She then pointed out that it might be appropriate for the Foundation to have a Treasurer to oversee such matters. Mr. Combs pointed out that the appointment of a Treasurer would be appropriate for discussion at a future meeting. Chairman Smoot asked for confirmation regarding the unspent portion of a donation made for a specified purpose – specifically, that the unspent portion would only be transferred to the unrestricted balance after the specific item for which the donation made had been purchased or the request fulfilled. Mr. Combs confirmed that this was the case.

A **motion** was made by Dr. Gross and seconded by Mr. Wickersham to adopt the policy. The motion passed unanimously.

Review of Policies Related to Subsidiary Funds

Discussion Lead by Mr. Combs:

Drafts of the “Veterans Care Center Residents Assistance Funds” and the “Cemeteries Donation Fund” policies were presented to the VSF members at prior meetings. Both of these policies were included in the agenda packet for reference and are labeled with the word “Draft.” Revised versions of each policy were included in the agenda packets. The revised documents are the “Virginia Care Center Residents Assistance Subsidiary Funds” and the “Cemeteries Assistance Subsidiary Fund” policies, and are labeled “Draft 9/13/07.” The old policies were discussed at previous meetings by DVS Director of Finance Armistead Ransone.

The purpose of the policies is to look at how to best manage the smaller donations that are made to the Department of Veterans Services, usually made for a specific purpose. These donations are usually made to the care centers or the cemeteries. The policies provide a structure to manage subsidiary funds for specific purposes, and also to forecast specific needs for which donations might be received and/or solicited. Working with Mr. Ransone, care center and cemetery will work to forecast needs, fundraising activities, and expected donations, and will present to the Foundation an advance request for annual spending authority. Mr. Combs pointed out that a representative of the Foundation, appointed by the Chairman, could serve on these committees. Mr. Combs emphasized that donated funds will remain in the Veterans Services Fund at all times, and will be overseen by the Foundation and managed in accordance with state regulations.

Chairman Smoot discussed the expectation of donors that their donation would be used promptly and for the intended purpose, and that if the VSF had to give authority for each expenditure, it could delay the use of the donation. Chairman Smoot pointed out that these policies would provide the flexibility to honor the wishes of the donor in an expeditious manner.

Dr. Gross discussed one of the primary reasons the VSF was formed – to provide oversight for what had been scattered funds managed with little or no accountability. He pointed out that the VSF has done its job well, but that VSF oversight has the potential to slow the use of funds donated for a specific purpose. He felt that with this system, the care centers would have operational flexibility, while at the same time, VSF oversight would be maintained.

Dr. Gross made a **motion**, seconded by Commissioner Burgess, to approve the two policies related to subsidiary funds at the care centers and cemeteries. The motion was agreed to unanimously.

Review of Executive Order 19 Fundraising Directive

Discussion Lead by Mr. Combs:

Mr. Combs brought to the members' attention Executive Order 19 (EO19), which was issued by Governor Kaine in June, 2006. EO19 is designed to improve services to Virginia's Veterans. Under "Directives for Serving Virginia's Veterans," the fifth bullet reads: *"I hereby direct the Commissioner of Veterans Services and the Veterans Services Foundation to continue to give high priority to efforts to obtain federal grants, private contributions, and other resources for the improving services to veterans in Virginia."* This goes along with the authority of the Foundation to *"take such actions as may be reasonably necessary to seek, promote, and stimulate contributions for the Fund."*

Discussion of General Fund support for Veterans Services Fund

Discussion Lead by Mr. Combs:

Mr. Combs brought the members attention to §2.2-2718 of the Code of Virginia, which states that the Veterans Service Fund “*shall include such funds as may be appropriated by the General Assembly; revenues transferred to the Fund from other state programs established for the Fund’s benefit; and designated gifts, contributions and bequests of money, securities, or other property of whatsoever character.*”

Mr. Combs noted that there has been discussion, including in the VSF Action Plan, that a General Fund appropriation could provide the Department of Veteran Services with the staff resources necessary to assist the Foundation in jump starting fundraising activities. He pointed out that an appropriation of \$50,000 to \$100,000 could provide the funds necessary to jump start fundraising activities. He reiterated that, as pointed out in the Action Plan, EO19 directs the Foundation “*to continue to give high priority to efforts to obtain federal grants, private contributions, and other resources for the improving services to veterans in Virginia.*”

Mr. Combs stated that, upon the request of the Foundation, the Department of Veterans Services could submit a budget request for the resources needed to jump start fundraising activities. Mrs. Eure pointed out that any person hired for fundraising should also have grant writing experience, and that this should be part of his/her job description. Discussion ensued regarding the fact that this type of discussion was critical for moving forward with fundraising activities. When asked how much the appropriation should be, Commissioner Burgess replied that it should be around \$100,000.

A **motion** was made by Mrs. Eure, and seconded by Adam Harrell, that the Department of Veterans Services should request, on behalf of the Foundation, the staff and budget resources, not to exceed \$100,000, necessary to jump start Foundation fundraising activities. The motion passed unanimously.

Election of new officers

Noting that some members had to depart shortly, Chairman Smoot opened the floor for volunteers or nominations to serve as the next Chairman of the Foundation. Mrs. Christopher nominated Mr. Wickersham for Chairman. The nomination was seconded by Ms. Wilder. There were no other nominations, and Chairman Smoot closed the nominations. By unanimous consent, Mr. Wickersham was elected the new Chairman of the Veterans Services Foundation. Dr. Smoot yielded the Chairman’s position to Mr. Wickersham.

Chairman Wickersham opened the floor for nominations to serve as Vice Chairman. Mrs. Christopher nominated Dr. Gross to serve as Vice Chairman. The nomination was seconded by Mr. Harrell. There were no other nominations or volunteers. By unanimous consent, Dr. Gross was elected the new Vice Chairman of the Veterans Services Foundation.

Preparation for the next meeting

Chairman Wickersham noted that, in consideration of the members’ time, the next meeting should be confirmed.

The next meeting of the Veterans Services Foundation will be held on Thursday November 15, 2007, 11:00 a.m. – 1:00 p.m. Members will be advised of the exact meeting place prior to this date.

Joint Leadership Council of Veterans Services Organizations initiatives

Discussion lead by JLC Chairman Sam Wilder:

The Joint Leadership Council of Veterans Service Organizations (the JLC) is made up of representatives of 23 Veterans Service Organizations, with a combined membership of 250,000. The JLC advocates for veterans issues and advises the Governor on the concerns of the veterans' community.

Mr. Wilder stated that he believes that the JLC Chairman should to be an *ex officio* member of the Veterans Services Foundation. He pointed out that in VSF APSC Working Papers #2, under the needs assessment, it appears there is the intention that the JLC should work closely with the VSF, and JLC representation on the VSF would help facilitate this. Mr. Wilder referred to page 4 of Working Papers #2: "The VSF cannot develop needs in a vacuum." He concluded by noting that the Powers and Duties of the JLC – as outlined in the Code of Virginia – place the JLC in the role of need developers and assessors. Bringing in the JLC would be beneficial to the Foundation.

Mr. Wilder then turned to the JLC 2008 Legislative Objectives. He spoke of the seven legislative objectives developed by the JLC, and pointed out that there was a position paper backing up each objective. He directed the members' attention to JLC Issue 3 – the Wounded Warrior Mental Health Care initiative. The JLC is asking for \$1 million in State funding, \$1 million in Federal funding, and \$500,000 in private funding to support this initiative. Mr. Wilder would like the VSF to help with private funding for this initiative.

Chairman Wickersham acknowledged the issues brought before the VSF, specifically the proposal that the JLC Chairman be an *ex officio* member of the VSF, and the request for assistance in raising funds for Wounded Warrior Mental Health Care.

Department of Veterans Services initiatives

Discussion lead by Commissioner Burgess:

Sitter & Barfoot Veterans Care Center Dedication Ceremony

The dedication ceremony for the Sitter & Barfoot Veterans Care Center will be on the 26th of September at 1 p.m. at 1601 Broad Rock Blvd., Richmond VA 23224. A tour of the facility will follow the ceremony.

Virginia is for Heroes

The Virginia is for Heroes Conference will be held at the Lewis Ginter Botanical Garden on October 17, 2007 at 1 p.m. This will be the first conference on polytrauma and combat stress

hosted by the Virginia Department of Veterans Services. It's a one-day conference, and VSF members are invited to attend.

Executive Order 19

DVS is moving forward with several of the EO19 initiatives. DVS is excited about all of the initiatives that have been developed thus far, and will keep the Foundation posted on their progress.

Southwest Virginia Veterans Cemetery

Land has been identified in Dublin for the site of the Southwest Virginia Veterans Cemetery. The property currently belongs to the Department of Defense. An environmental study is underway, and the property is expected to be transferred to the Commonwealth of Virginia between March and April of next year. After the land transfer, a design and construction schedule will be developed. DVS has submitted a request for VA funding. The total cost of design and construction is estimated at \$11 million. A ceremony will be conducted when the land is transferred to the Commonwealth. DVS hopes to hire a cemetery superintendent early in the construction process to facilitate the opening of the new cemetery.

Mrs. Eure pointed out that the By Laws provide for the appointment of a Treasurer, but that DVS has been performing this role. Mr. Combs acknowledged this and noted that a Treasurer had not been appointed. Chairman Wickersham stated that this would be an item for a future meeting.

Public Comment Period

Tom Briggs, Virginia Veterans Coalition stated that he would like the Foundation to look at what other states are doing to help their veterans. Mr. Briggs also questioned the need for a staff member to perform fundraising.

Roger Sullivan, Virginia Veterans Coalition, stated that he would like to know how much money has been raised by the Foundation. He said he is planning on giving out the address of his web page so that the Foundation may better understand his concerns.

Adjourn

There being no further business, the meeting adjourned at 1:15 p.m.